Entrepreneurship has a different meaning for many people. For some it relates to new start-ups, for others it relates to home-based businesses, and for others it is a business philosophy focusing on continually innovating your business activity.

Regardless of the type of business, enterprises have the same premise – to develop an idea into a successful business.

Entrepreneurship involves far more than simply having an idea. To be successful, an entrepreneur needs to have skills that cover many of the development and management roles.

In Introduction to Entrepreneurship, you will learn key success factors for enterprises and how to apply these to successfully innovate, develop, and grow a business. Key business strategies, business development, and the management of the enterprise through the business cycle will be explored.

For each element of learning, you will develop skills for applying theories and good practice for entrepreneurial success. Many of the skills learnt in the unit can be successfully applied in start-up enterprises or are transferable for use in everyday business.
## What you’ll learn

The table below shows the learning outcomes of this unit (what you will be able to do or what you will know), along with the assessment criteria (what you will be able to do to demonstrate achievement of the learning outcome).

<table>
<thead>
<tr>
<th>Learning Outcomes</th>
<th>Assessment Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The learner will:</strong></td>
<td><strong>The learner can:</strong></td>
<td></td>
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</tbody>
</table>
| 1. Explain the benefit of entrepreneurship and innovation to an economy and how new businesses can impact communities | 1.1 Explain the terms entrepreneurship, enterprise, social enterprise, intrapreneurship, and innovation  
1.2 Explain the key characteristics of micro, small, and medium-sized businesses  
1.3 Discuss business models that an enterprise can use  
1.4 Discuss types and process of innovation  
1.5 Evaluate how organisations can create their own enterprising culture | 25% |
| 2. Discuss the characteristics and motivation of entrepreneurs and how an entrepreneur builds and converts an idea into a successful business | 2.1 Explain the personal qualities required when starting a business  
2.2 Explain common mistakes that entrepreneurs make in their first year of business  
2.3 Evaluate the motives for starting an enterprise  
2.4 Explain strategies for growth and exit strategies in an enterprise | 20% |
| 3. Explain the key factors for developing an innovative enterprise | 3.1 Assess market research intelligence to develop an enterprise  
3.2 Evaluate the sources of finance available to a new business  
3.3 Explain the physical resource requirements of an enterprise  
3.4 Assess the human resources requirements for an organisation  
3.5 Explain common legal and insurance requirements that an enterprise needs to address | 25% |
| 4. Create a business plan and pitch for a business idea | 4.1 Explain the content expected and developed in the plan  
4.2 Develop a business plan for a new business idea  
4.3 Develop a pitch that delivers key information to stakeholders | 30% |
**Capabilities**

Alongside academic learning and development, ABE qualifications have been designed to develop your practical skills and capabilities. These capabilities are highlighted as certain values, knowledge, skills, and behaviours that will help you in your professional development.

Below is an overview of the behaviours, skills, and attitudes that you will develop through this unit:

<table>
<thead>
<tr>
<th>Element of learning</th>
<th>Key capabilities developed</th>
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<tbody>
<tr>
<td><strong>Element 1 – Introduction to entrepreneurship</strong></td>
<td>Ability to raise reasoned arguments on the importance of entrepreneurship to the economy and differences with other business structures. Ability to identify the impact that innovation has on an economy. Business acumen, use of business models, enterprising culture</td>
</tr>
<tr>
<td><strong>Element 2 – Entrepreneurs</strong></td>
<td>Ability to identify successful entrepreneurs and develop an appreciation of the impact they have had Ability to assess personal capability against the needs of an enterprise Understanding of the role creativity and innovation in developing a successful business idea Entrepreneurial characteristics and thinking, innovation, creativity</td>
</tr>
<tr>
<td><strong>Element 3 – Developing an innovative enterprise</strong></td>
<td>Ability to identify the resources needed for an enterprise Ability to demonstrate the use of key decision-making tools for business development Ability to demonstrate an understanding of monitoring business and setting targets Commercial awareness, using data and information, assessing resource requirements, gap analysis</td>
</tr>
<tr>
<td><strong>Element 4 – Creating a business plan and pitch</strong></td>
<td>Ability to identify the requirements and contents of business plan Ability to use tools to plan the enterprise Ability to develop a business plan that incorporates key attributes from Elements 1, 2 and 3 Ability to develop an effective pitch to communicate the plan and requirements from investors/customers Writing a business plan, communication, presenting information for persuasive purposes, planning, pitching</td>
</tr>
</tbody>
</table>
Localisation

It is very important when studying for your ABE qualification that you consider your local business environment and try to apply what you are learning to relevant scenarios in your local business context. Doing this will help you to put your learning into practice and use it in your professional day-to-day activities.

You should consider local polices for business start-up including:

- Local cultures and environment that impact upon business taxation
- Local employment law
- Local and international business support agencies
- Local social needs, and how they may impact on a business
- Local legal and taxation arrangements
- Common business rules and regulations
- Impact of trade agreements and currency fluctuations
- As examples of successful entrepreneurs will be studied, local and well known entrepreneurs need to be considered
Indicative Content

1. Explain the benefit of entrepreneurship and innovation to an economy and how new businesses can impact communities (Weighting 25%)

1.1 Explain the terms entrepreneurship, enterprise, social enterprise, intrapreneurship, and innovation.

- Understanding the key terms
- Key differences between social enterprise and other not-for-profit businesses
- Impact of entrepreneurship and intrapreneurship on local and global business
- How to recognise a business opportunity
  - 7 Sources of Opportunity (Drucker 2006)
  - Various sources of business ideas, e.g. scanning the environment, open source innovation, internal processes

1.2 Explain the key characteristics of micro, small, and medium-sized businesses

- Use stated national or regional definitions, giving examples
- Size staffing, turnover
- Organisational culture, including staff support and training
- Structures of management – hierarchical, flat, matrix
- Access to funding
- Influence of stakeholders, including family

1.3 Discuss business models that an enterprise can use

- Affiliate and freemium models
- Auction and subscription models
- Bait and hook
- Franchising and direct sales
- Use examples known to learner for each model

1.4 Discuss types and process of innovation

- Types of innovation
- The process of innovation
- Innovation – commercialisation of new ideas
- Schumpeter’s Five Types of Innovation (1912)
- Approaches to innovation, such as continuous product and process improvement, improving business model, adding value to existing product, using new technology to create a new product or service
1.5 Evaluate how organisations can create their own enterprising culture

- Idea encouragement
- Creativity
  - Creative process for idea generation (Wallas 1926): preparation, incubation, illumination, implementation
  - How creativity can be encouraged or blocked, including comfort zone and theories for barriers to creativity, e.g. Von Oech (1983) and JL Adams (1986)
- Team working rather than micro-management
- Feedback to try and fail as opposed to blame cultures
- Celebrating success
- External locus of control
- Functional boundaries being removed
- Reducing formality
- Incentive schemes

2. Discuss the characteristics and motivation of entrepreneurs and how an entrepreneur builds and converts an idea into a successful business (Weighting 20%)

2.1 Explain the personal qualities required when starting a business

- Characteristics required such as self-confident, visionary, risk-taking, innovative, opportunistic and those to be developed including resilient
- Understanding the importance of emotional intelligence

2.2 Explain common mistakes that entrepreneurs make in their first year of business

- Delegation, responsibility, poor forecasting, considering sunk costs, use of mentors

2.3 Evaluate the motives for starting an enterprise

- Push vs pull
- Lifestyle
- Community needs

2.4 Explain strategies for growth and exit strategies in an enterprise

- Stability and confidence of stakeholders
- Training and development of success
- Examples of good and unsuccessful succession planning
3. Explain the key factors for developing an innovative enterprise (Weighting 25%)

3.1 Assess market research intelligence to develop an enterprise
- Evaluating market share
- Evaluate competitors
- Identify unique selling proposition (USP)
- Identify barriers to entry
- Understand local and seasonal factors

3.2 Evaluate the sources of finance available to a new business
- Personal: own capital, retained profit, informal investors, 3Fs (friends, fools, family), internal capital networks, local cash network, crowd funding
- Commercial: overdrafts, loans, credit cards, venture capital, lease hire, factoring, supplier funding
- Public finance: local development schemes, start-up grants, loans guaranteed
- Understand the disadvantages to a business of potential funding options and how to overcome them: phasing of investment, change in rates, reliance upon rolling credit

3.3 Explain the physical resource requirements of an enterprise
- Intellectual property rights
- Stock and raw materials
- Buildings
- Transport
- Security

3.4 Assess the human resources requirements for an organisation
- Skills gap analysis
- Differences in contract status – part time/contracted working and local forms of contract
- Costings of staffing needs – including statutory social security

3.5 Explain common legal and insurance requirements that an enterprise needs to address
- Legal: health and safety, employment law, anti-competitive law, trading laws, corporation tax, employee tax and social security, company registration
- Insurance: public liability, employee liability, business premises, stock, vehicle, goods in transit
4. Create a business plan and pitch for a business idea (Weighting 30%)

4.1 Explain the content expected and developed in the plan
  - Providing detail for investors, lenders, stakeholders to make informed decisions
  - Allowing balanced decisions made on presented facts and forecasts
  - Forecasting to assess financial requirements

4.2 Develop a business plan for a new business idea
  - Business proposal and trading status
  - Range of services to be provided
  - Personal parameters of proposers
  - Geographical location
  - Include identified research techniques
  - Customers, target, market
  - Statement of viability
  - Pricing and marketing strategies
  - Financial funding, forecasting, and measurement
  - Resource and requirements
  - KPIs – financial and non-financial

4.3 Develop a pitch that delivers key information to stakeholders
  - Identifying information requirements of audience
  - Designing a structured pitch – including presentation